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Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:
<b>In re</b>	:
	:
<b>LEHMAN BROTHERS HOLDINGS INC., et al.,</b>	:
	:
<b>Debtors.</b>	:
	:
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**Chapter 11 Case No.  
08-13555 (JMP)  
(Jointly Administered)**

**SECOND SUPPLEMENTAL AFFIDAVIT OF BARRY W. RIDINGS  
IN CONNECTION WITH THE EMPLOYMENT AND RETENTION OF  
LAZARD FRÈRES & CO. LLC AS INVESTMENT BANKER TO THE DEBTORS**

STATE OF NEW YORK     )  
                                  ) ss.:  
COUNTY OF NEW YORK    )

Barry W. Ridings, being duly sworn according to law, upon his oath, deposes and  
says:

1. I am a Managing Director and Vice Chairman of Investment Banking of the firm  
Lazard Frères & Co. LLC ("Lazard"), which has its principal office at 30 Rockefeller Plaza, New  
York, New York 10020. I am authorized to execute this second supplemental affidavit (the  
"Second Supplemental Affidavit") on behalf of Lazard. Unless otherwise stated in this Second  
Supplemental Affidavit, I have personal knowledge of the facts set forth herein or have been  
informed of such matters by professionals of Lazard.

2. On November 13, 2008, Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors in the above-referenced chapter 11 cases, as debtors in possession (together, the “Debtors”), filed an application for authorization to employ and retain Lazard as investment banker to the Debtors *nunc pro tunc* to September 15, 2008, pursuant to sections 327(a) and 328(a) of title 11 of the United States Code and rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Application”) [Docket No. 1513].

3. On December 17, 2008, the United States Bankruptcy Court for the Southern District of New York entered an order approving the Application and the Debtors’ employment and retention of Lazard [Docket No. 2275].

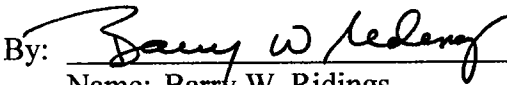
4. Pursuant to the engagement letter between LBHI, on behalf of itself and its controlled subsidiaries, dated October 20, 2008 (the “Engagement Letter”), and filed as Exhibit B to the Application, Lazard was entitled to receive a monthly compensation in the amount of \$400,000 per month for the 24-month period commencing on October 1, 2008 through (and including) September 1, 2010 and in the amount of \$250,000 per month thereafter until the earlier of the effective date of a plan of reorganization of the Debtors or termination of the Engagement Letter pursuant to section 10 thereof (the “Monthly Compensation”).

5. I am submitting this Second Supplemental Affidavit to disclose that after consultation with the Debtors, the statutory committee of unsecured creditors appointed in the Debtors’ chapter 11 cases, and their professionals, Lazard has agreed to reduce its Monthly Compensation to \$200,000 per month effective as of December 1, 2009.

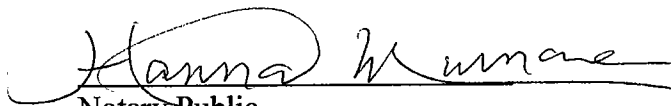
6. Notwithstanding the above, all the of the terms and conditions of Lazard's Engagement Letter remain in effect.

I declare under the penalty of perjury that the forgoing is true and correct, to the best of my knowledge.

LAZARD FRERES & CO. LLC

By:   
Name: Barry W. Ridings  
Title: Managing Director and  
Vice Chairman of Investment Banking

Sworn and subscribed to before me, a notary public for the State of New York, County of New York this 3 day of FEBRUARY 2010

  
Notary Public

HANNA MURINANE  
Notary Public, State of New York  
No. 41-4729327  
Qualified in Queens County  
Commission Expires March 30, 2010